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## United States Senate

COMMITTEE ON SMALL BUSINESS

WASHINGTON, DC 20510-6350

September 27, 2000

The Honorable David M. Walker  
Comptroller General  
U.S. General Accounting Office  
441 G Street, N.W.  
Washington, DC 20548

Dear Mr. Walker:

In August, the General Accounting Office (GAO) provided the Senate Committee on Small Business with a report that helped us understand the significant challenges facing the Internal Revenue Service (IRS) as it attempts to serve small businesses better. The primary vehicle for that improved service, the IRS' new Small Business/Self Employed Operating Division (SB/SE Division), is scheduled to begin operating or, as the IRS says, "stand up," on October 1, 2000. The purpose of this letter is to request the GAO's assistance in monitoring the activities of the SB/SE Division during its first year of operation.

Some of the challenges facing the new SB/SE Division, such as those related to modernized information systems, will understandably take several years of concerted effort by the IRS to complete. Nevertheless, I do not believe it is unreasonable for the small-business community to expect to see significant progress in the short term.

While the focus of your work will become clearer over the next few months, I would like the GAO to consider the following questions as you proceed with this request:

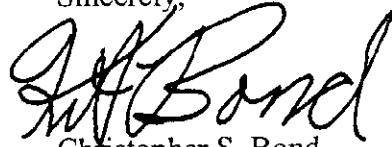
- ◆ What goals has the SB/SE Division set, and how will the Division know whether it is making a difference?
- ◆ What is the SB/SE Division doing to identify the most cost effective and beneficial ways to provide help to small businesses?
- ◆ What is the SB/SE Division actually doing to change the kind of service provided to small businesses and the self-employed and the way in which it is provided?
- ◆ What improvements, if any, have resulted from these changes; what problems, if any, have these changes caused?
- ◆ What progress has the SB/SE Division made in identifying and setting priorities for its information-system requirements, and what is being done to meet those needs?

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As you proceed with this request, I would appreciate your keeping me apprised periodically of your progress. If you have any questions or need additional information, please contact Mark Warren, the Committee's Tax Counsel, at 4-5175.

Thank you for your time and assistance on this important project.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Bond", written in a cursive style.

Christopher S. Bond  
Chairman